

# FISCAL NOTE

STATE OF ALASKA  
2016 LEGISLATIVE SESSION

Bill Version \_\_\_\_\_  
Fiscal Note Number \_\_\_\_\_  
( ) Publish Date \_\_\_\_\_  
Dept. Affected \_\_\_\_\_ Administration  
Appropriation \_\_\_\_\_ Motor Vehicles  
Allocation \_\_\_\_\_ Motor Vehicles  
OMB Component Number \_\_\_\_\_ 2348

Identifier (file name) \_\_\_\_\_  
Title \_\_\_\_\_ Real ID \_\_\_\_\_  
Sponsor \_\_\_\_\_ Governor's office \_\_\_\_\_  
Requester \_\_\_\_\_

## Expenditures/Revenues

(Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY17 Appropriation Requested	Included in Governor's FY17 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY17	FY17	FY18	FY19	FY20	FY21	FY22
Personal Services							
Travel							
Services	1.5						
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## FUND SOURCE

(Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)	1.5					
1007	I/A Rcpts (Other)						
1178	temp code (UGF)						
		<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## POSITIONS

Full-time							
Part-time							
Temporary							

## CHANGE IN REVENUES

Estimated **SUPPLEMENTAL (FY16) operating costs** \_\_\_\_\_ (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY17) costs** \_\_\_\_\_ (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?

If yes, by what date are the regulations to be adopted, amended, or repealed? \_\_\_\_\_ Discuss details in analysis section.

## Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable, initial version

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Approved by \_\_\_\_\_ Sheldon Fisher, Commissioner  
Agency \_\_\_\_\_ Department of Administration

Phone 907-269-5574  
Date/Time \_\_\_\_\_  
Date \_\_\_\_\_

## FISCAL NOTE ANALYSIS

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BILL NO. 0

### Analysis

REAL ID is the Federal Government's program to improve the reliability and accuracy of state-issued identification documents. In 2008 the Alaska Legislature passed a law prohibiting the use of state funds to implement the REAL ID act in Alaska. If Alaska is not compliant with the REAL ID act by June 6, 2017, Alaska issued driver licenses and state identification cards (ID) will no longer be accepted as a form of identification at military bases or other federal facilities. Alaskans will need to present a passport or other federally issued id to gain entry to a federal facility.

If the state of Alaska is not compliant by January 22, 2018, Alaska issued driver licenses or state id cards will no longer be accepted for air travel. An alternate form of identification such as a passport or other federally issued id will be needed to board an aircraft.

#### **Initial development cost to DMV:**

DMV will need \$1.5 million to become REAL ID compliant.

The breakdown for the funding is as follows:

\$100,000 - Integration of the Systematic Alien Verification for Entitlement (SAVE) program

\$400,000 – Integration of Real ID in the State Pointer Exchange System (SPEXS)

\$100,000 – Integration of the National Association for Public Health Statistics and Information Systems (NAPHSIS) program

\$500,000 – Photo First equipment and system development for DMV offices (includes creation of new image repository)

\$400,000 – Development work for card printing contractor including software update, card templates

#### **Other considerations and ongoing expenses:**

The production cost of a REAL ID compliant driver license or state id will increase and DMV will need an increment to cover the cost. At this time a driver license or state id costs \$1.92 to produce and mail. The exact cost of a REAL ID compliant driver license or state id is unknown, but it is likely to cost up to \$3 per card more due to the additional designators and security features needed on the new card. The verification of vital events (EVVE) program also carries \$2 per verification fee. Based on 2015 figures, these two additional expenses will result in increased operating expenses of \$1,800,000 for the first year. However, a proposed DMV fee increase revenue to the General Fund approximately \$5,000,000 per year.

DMV is in the processing of replacing our Alaska Licensing and Vehicle Information Network (ALVIN) system which is scheduled to go live in December 2017. We will be unable to implement REAL ID until our new system is in use at all DMV offices.